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MONTANA LETTER

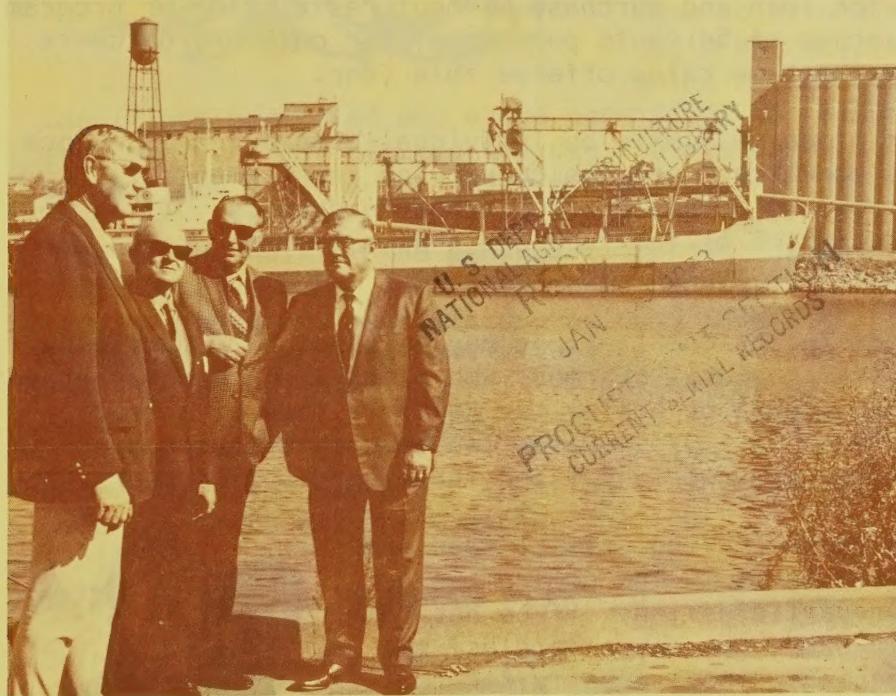


October 29, 1971

1972 FEED GRAIN PROVISIONS ANNOUNCED

The 1972 feed grain program offering farmers additional options while emphasizing increased farm income and reduction in feed grain stocks has been announced by Secretary of Agriculture Clifford M. Hardin. Signup for the program will begin January 17 giving producers ample opportunity to mull over possibilities and make choices before enrolling.

The program aims at a set-aside this year of approximately 38 million acres from a corn-grain sorghum-barley base of 131 million acres. This size set-aside could result next year in production of about 4.5 billion bushels of corn compared with the 5.4 billion bushels estimated for this year's crop. A crop of this size next year would bring about a reduction in corn stocks of some 300 million bushels from a carryover which could be near 1.3 billion bushels by next October 1.



Ships being loaded with grain - possibly much of it from Montana - for export was one of the cheering sights seen by the Montana State ASC committee on a recent visit to the Portland waterfront. The committee, in Portland for a meeting of committeemen from the 10 states of the Northwest Area, saw some of the first ships being loaded as waterfront operations resumed. Left to right are Dick Smiley, Bozeman, committeeman; Joel P. Antrim, Stevensville, chairman; Leo S. Kolstad, Galata, executive director, and Roy Killenbeck, Scobey, committeeman.

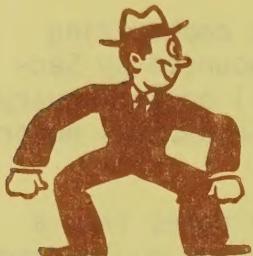
subject to acceptance by the Secretary if less than 38 million acres is offered under the first and second set-aside provisions. Since the Secretary must make his decision on acceptance of this additional acreage by mid-March, signup will not be extended beyond the scheduled February 25 closing date.

Next year's program includes a three-stage diversion designed to give the Secretary of Agriculture greater flexibility in securing the desired amount of set-aside acreage. The first stage for all feed grains--barley, corn and grain sorghum--requires set-aside of 25 per cent of the feed grain base to qualify for the program. This year's set-aside was 20 per cent of the feed grain base.

For the second stage, a farmer may agree to set-aside, in addition to his qualifying 25 per cent, up to 20 per cent of his barley base and 10 per cent of his corn base. The third option, available only to corn growers, permits them to offer still another 5 or 10 per cent of their corn base acreage as set-aside,

In return for taking acreage out of production, growers will receive payments on qualifying set-aside acreage at the rate of 40 cents per bushel for corn and 32 cents per bushel for barley. The payment will be determined by multiplying this rate times the established farm yield for the commodity times half the commodity base acreage.

Nationally, these payment rates will average \$64.80 per acre for corn and \$26.88 per acre for barley.



For additional voluntary set-aside, the payments will be figured on the basis of 52 cents for corn and 42 cents for barley. This rate times the established farm yield will give the payment for each additional acre of set-aside above the qualifying diversion.

All feed grain produced on a farm participating in the program will be eligible for price support loan or purchase at national average rates of \$1.08 per bushel for corn (No. 2 basis) and 86 cents per bushel for barley. (Last year's loan and purchase rates were the same for corn and 81 cents per bushel for barley.)

Oats and rye will be eligible for loan and purchase without restriction or program participation at a national average of 54 cents per bushel for oats and 89 cents per bushel for rye. These are the same rates offered this year.

Next year's program will again place no limits on individual crop acreages. Once a producer meets his set-aside commitment and his conserving requirement, he may plant the rest of his cropland to any crop or crops he chooses. It is not necessary to plant a specified portion of the feed grain base to feed grains in order to qualify for the set-aside payment.

Wheat, barley or corn, singly or in any combination, may be planted to protect feed grain base or wheat allotment history. Farmers who plant less than 45 percent of their feed grain base to wheat, corn or barley may suffer a loss of as much as 20 percent in their base acreage for 1973. Bases can be completely removed from farms which do not plant feed grain or wheat for three consecutive years.

Again next year, as in 1971, a farmer having several feed grain farms may enroll one, some or all farms in the program as he chooses without penalty for non-participation. If he has both wheat allotments and feed grain bases, he may also elect to participate in one or both programs without penalty for non-participation.



Although barley was not included in last year's feed grain program, Montana farmers will not find it necessary to request barley bases for next year. Records available in county ASCS offices will be used to determine feed grain bases and yields. These, together with wheat yields, conserving bases, payment rates and other necessary program information, will be sent to producers well in advance of the beginning of signup.

MABERRY COMMENTS ON WASTE DISPOSAL SEMINAR

Recently Max Maberry, district director and Fergus County farmer, was invited to attend a national Animal Waste Pollution Seminar. Max was the only representative from the ASCS offices in the Northwest area and was one of some ten active agricultural producers among the 175 participants.

Here are Max's comments on the seminar:



"The Animal Waste Pollution Seminar held in Airlee, Virginia, was presented by the USDA, Environmental Protection Agency, Land Grant Colleges, Council of State Governments, and Organization of State Commissioners of Agriculture. It was attended by representatives of each of these groups plus a few State legislators, U.S. Congressmen, governors, farm organizations, industry and agriculture.

"The purpose of the first half of the seminar was to acquaint all these people with the animal waste problem as seen by different people, and possible solutions for the problem. Some solutions discussed were (1) the waste could be recycled directly back through animals, (2) the waste could be spread when

conditions permitted and where permitted, (3) dispose of the waste in a manner that wouldn't pollute and (4) use the wastes in industry to try to produce more animal feed in a factory-type operation.

"The second half of the seminar concerned the Government's role in the animal waste problem, what laws are needed to regulate it (first on the national level, then on the state level) and what help should or should not be given feeders to adjust to changing law. "What is a feed lot -- is it 250 cows penned with feed hauled to them? -- or is it any number of birds or animals penned with feed carried to them? Should the feeder have to have a license?"

"From the discussions and thinking of this group, there will be recommendations made for State and National legislation."

1972 - 73 RESEAL PROGRAM PLANNED

Coincident with the announcement of the 1972 feed grain program, Secretary of Agriculture Clifford M. Hardin announced that loans on 1968, 1969, 1970 and 1971 farm stored wheat, barley and oats will be extended through the 1972-73 storage period.

For Montana producers, this means that farm stored loans on current crop grain and on reseal grain which are scheduled to mature next May 31 may be extended to May 31, 1973.

Announcement of the farm reseal storage program this far in advance is expected to help promote orderly marketing of wheat and feed grains during the current year. In addition, the announcement will enable farmers to make long range plans

for storing grain now on hand, as well as next year's crop.

Currently, Montana farmers have under farm-stored reseal 24.3 million bushels of wheat; 5.1 million bushels of oats and 1.2 million bushels of barley.

The announcement made no reference to extension of loans on grain stored in warehouses. Only wheat, barley and oats of the 1970 crop are eligible for extended loan during the current storage period.

SPREADING IT THIN . . . AND QUICK

MONTANA'S 1971 WHEAT CROP is now estimated at 112 million bushels, 31 percent above last year and the largest since the record breaking crop of 1968.

The crop includes 54 million bushels each of winter wheat and hard spring wheat and 4.2 million bushels of durum. Yields are estimated at 30 bushels for winter wheat (27 bushels last year) and 22 bushels for hard red spring (23.5 bushels in 1970). . .

MONTANA'S BARLEY CROP is estimated at 55 million bushels, 10 million bushels less than last year, while oats at 8.4 million bushels compares with 18 million bushels a year ago. . . AT THE END OF

SEPTEMBER Montana farmers had placed 14.7 million bushels of 1971-crop wheat under government loan. On the same date a year ago only 3.8 million bushels of 1970 crop had been offered for support and for 1970, in total, only 12.9 million bushels was put under loan. . . "EACH OF US CAN DO

SOMETHING to restore America's abundant natural assets and to reverse the trends of deterioration.

Together we can improve the physical settings in which we live, work and relax." --
Secretary of Agriculture Hardin. . .



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